7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
Bangchan

*243 439 655 the export price was expressed in foreign exchange. The Rice Office figured its accounts at the official rate of exchange, and the price in foreign currency was fixed at such a level that even when converted at the official rate the Rice Office could buy rice from millers and still make a 20 per cent profit on the transaction. The foreign exchange proceeds were turned over to the Bank of Thailand. The bank in turn might sell part of the foreign exchange at the official rate, e.g., for certain imports, but it also sold part at the open-market rate of exchange. On this portion it made an additional profit equal to the difference between the two rates. Ingram estimates that for each metric ton of white rice, 15 per cent broken, for which the gross price to miller was 1,306 baht in 1951, the total government profit was 1,304 baht, of which 248 baht was trading profit and 1,056 baht was exchange profit.[4] Another writer estimates that the government's profit from each metric ton of white rice, 5 per cent broken, was 1,650 baht.[5]

*243 435 439 655 661 In 1951, the Ministry of Commerce began to issue a number of permits to export rice against commercial contracts. Since the world price of rice was still above the prices fixed in government contracts, exporters were eager to obtain the private permits, and a lively market for

4. Ibid., pp. 89-90.

5. M. R. Anuporn, "Rice and the Thai Government," Prachatipatti, February 5, 1955.

permits sprang up. During 1951 the black-market price for such permits reached U. S. $35 per ton. Officials were obtaining permits for export against commercial contract and promptly selling them in the market. A permit for 10,000 tons meant $30,000 even at the low price of $3 per ton, and when the price hit $20-$30, the temptation to bribe the crucial officials was enormous. Millers were eager to get a cut also, and they were reluctant to make rice available unless they got some kind of a premium.[6]

By 1953, however, the world demand for marketable rice began to decline, and it may be said that the rice trade had shifted from sellers' market bo buyers' market. The primary reason for this decline was the recent increase in production in the deficit countries. As a rice exporting country, Thailand was naturally adversely affected. Her position was further aggravated by high production in Burma which offered lower prices in the international market.

In recent years, the export prices of Thai rice had been steadily raised. For a ton of white rice, 5 per cent broken, it was L47 5s in 1951, L50 5s in 1952, and L55 5s in 1953. The decline of demand forced the government to lower the export prices by L1 - L5 per ton for the first time in 1954, and finally to virtually abolish its monopoly over the export of rice in 1955.

Thus, rice export has now become "free", but actually under rigid rules and regulations especially with reference

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6. Ingram, op. cit., p. 91.